

**CALGARY
ASSESSMENT REVIEW BOARD
DECISION WITH REASONS**

In the matter of the complaint against the Property assessment as provided by the *Municipal Government Act*, Chapter M-26.1, Section 460(4).

between:

Sierra Stone (Calgary) Ltd., COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

***W. Kipp, Presiding Officer
K. Coolidge, Board Member
D. Pollard, Board Member***

This is a complaint to the Calgary Assessment Review Board in respect of a Property assessment prepared by the Assessor of The City of Calgary and entered in the 2010 Assessment Roll as follows:

ROLL NUMBER: 200682763

LOCATION ADDRESS: 115, 12159 – 44 Street SE, Calgary AB

HEARING NUMBER: 57001

ASSESSMENT: \$568,500

This complaint was heard on the 20th day of August, 2010 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 8.

Appeared on behalf of the Complainant:

- Kirk Hanrahan

Appeared on behalf of the Respondent:

- Tanya Woo

Property Description:

An industrial warehouse condominium unit in a building in Southbend Business Park in southeast Calgary. The 2,221 square foot unit comprises 572 square feet of ground floor office and 1,649 square feet of ground floor warehouse. The building was constructed in 2005.

Issues:

The Complainant raised the following matter in section 4 of the complaint form: *Assessment amount (No. 3 on form)*

The Complainant also raised the following specific issues in section 5 of the Complaint form:

"In comparison of other condo bays in the area, including one I own across the street which is larger, newer & better developed, this assessment is really high."

Issues: Market Value and Equity

Complainant's Requested Value:

\$448,000

Board's Decision in Respect of the Issue:

The Complainant purchased the subject unit, when new, in 2005. Then, in 2009, he purchased a new unit in a development across the street from the subject. The price paid was \$427,000. An independent appraisal of the new unit as at March 31, 2009 was \$500,000.

The 2,380 square foot unit purchased in 2009 was larger than the subject and it had more interior finish (600 square feet). The purchase price represented \$179.41 per square foot of unit area. In the Complainant's opinion, prices of comparable units were between \$169 and \$200 per square foot. The 2009 unit is assessed for 2010 at \$472,000 (\$198.32 per square foot) and the subject should be assessed at no higher rate than that.

The Respondent provided sales information for four other condominium units in the same market area. Errors in the table made it impossible to determine the dates of sale however they were stated to have been within the relevant time period in relation to the July 2009 valuation date. Prices of these four units ranged from \$235.41 to \$376.26 per square foot of unit area. These sales, in the opinion of the Respondent, supported the subject assessment of \$256 per square foot.

The Complainant pointed out that two of the Respondent's sale units included mezzanine office space that was not included in the unit area reported. That additional space significantly distorted the price per square foot. Another unit was much smaller than the subject (1,485 square feet). The last sale was a larger unit but it included significantly more office space (33% versus 25%).

Findings

In view of the above considerations, the CARB finds as follows:

The purchase of the 2009 unit and the appraisal of that unit indicate lower rates on a per square foot basis.

The compelling evidence, however, is the assessment. The 2009 unit is assessed at \$198.31 per square foot. That unit has about the same ratio of office space as the subject (25%).

If the \$198.31 rate is applied to the subject, with no regard to the four year age difference, the assessment for the subject is indicated at \$440,467.

Board's Decision:

The 2010 assessment is reduced from \$568,500 to \$440,000.

It is so ordered.

DATED AT THE CITY OF CALGARY THIS 21 DAY OF September 2010.



W. Kipp
Presiding Officer

An appeal may be made to the Court of Queen's Bench on a question of law or jurisdiction with respect to a decision of an assessment review board.

Any of the following may appeal the decision of an assessment review board:

- (a) *the complainant;*
- (b) *an assessed person, other than the complainant, who is affected by the decision;*

- (c) *the municipality, if the decision being appealed relates to property that is within the boundaries of that municipality;*
- (d) *the assessor for a municipality referred to in clause (c).*

An application for leave to appeal must be filed with the Court of Queen's Bench within 30 days after the persons notified of the hearing receive the decision, and notice of the application for leave to appeal must be given to

- (a) *the assessment review board, and*
- (b) *any other persons as the judge directs.*